

# Duluth Golf

Enger Renovations & Operating Models Projections

Presented by Jessica Peterson, Parks and Recreation Manager

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# Outline

- ▶ Guiding Documents
- ▶ Enger Park Golf Course Renovations
- ▶ Duluth Golf Operating Models
- ▶ Duluth Golf Renovations + Operating Budgets
- ▶ Next Steps

# Guiding Documents

- ▶ Enger Golf Course Renovation Plan
- ▶ Proposed Changes to Ownership and Use of Public Green Space in the Lester Park and Enger Park Areas
- ▶ Findings of the Duluth Golf Citizen Advisory Committee
  - ▶ Duluth Golf Course Facility Assessment
  - ▶ Facility Assessment Supplement - Enger Course
  - ▶ Facility Assessment Supplement - Enger Irrigation
  - ▶ Duluth Golf Public Opinion Research
  - ▶ 2019 Fund 503 Budget Summary
  - ▶ JJ Keegan Financial Review
  - ▶ Golf Facility Strategies
  - ▶ Golf Model
  - ▶ Lester Park Golf Course Market Analysis
  - ▶ Enger Area Development Master Plan Concept
  - ▶ Golf Citizen Advisory Committee Charge
- ▶ Reference Links
  - ▶ <https://duluthmn.gov/media/12707/enger-park-golf-course-renovation-plan-final.pdf>
  - ▶ <https://duluthmn.gov/parks/golf/duluth-public-golf/>

# Enger Park Golf Course Renovations

- ▶ From the 2021 Enger Golf Park Golf Course Renovation Plan, approved by PGC, PRC, and Council
- ▶ Progress since 2021 Plan Approval
  - ▶ Design of Irrigation System and Pond
  - ▶ Scope of Base Course Improvements
  - ▶ Collaboration with Minnesota DNR
    - ▶ Funding + Restoration of Buckingham Creek
- ▶ Goal to complete Phase 1a and portions of Phase 2
  - ▶ Pending final bid costs
  - ▶ Does not include Phase 1b - Clubhouse in this scope

## Cost Estimates

Item	Current Cost Estimate in Dollars
<b>Phase 1a</b>	
Install new irrigation central control	60,000
Expand irrigation pond, install transfer pipe	538,590
New irrigation pump station, slab, wet well, 3-phase power	230,000
New irrigation system on 27 holes-1300 heads, HDPE pipe, wire	2,100,800
Upgrade and extend City water supply line	80,000
Roto-till and regrass fairways to improve drainage prior to irrigation installation: Front 9 holes 2 and 9 <sup>1</sup> ; Middle 9 hole 9; Back 9 holes 1, 2, 5-9	513,500
Final design and permitting (10%)	352,289
Contingency (10%)	352,289
<b>Phase 1A subtotal</b>	<b>4,227,468</b>
<b>Phase 1b</b>	
Clubhouse with full kitchen <sup>2</sup>	New 784,000
Final design and permitting (10%)	78,400
Contingency (10%)	78,400
<b>Phase 1B subtotal</b>	<b>940,800</b>
<b>Phase 2</b>	
Front and Middle 9 bunkers: reconstruct 6 bunkers, remove 8 bunkers <sup>3</sup>	228,016
Back 9 bunkers: reconstruct 11 bunkers, remove 2 bunkers <sup>3</sup>	149,080
Construct new forward tees, 10 tees	72,100
New Signage: 27 tee complexes, course overview map, parking lot, and directional arrows between specific holes	50,000
Final design and permitting (10%)	49,920
Contingency (10%)	49,920
<b>Phase 2 subtotal</b>	<b>599,036</b>
<b>Phase 3</b>	
Reconstruct range turf tee with new irrigation and synthetic teeline <sup>4</sup>	145,310
Reconstruct driving range landing area with new irrigation and target greens <sup>4</sup>	268,500
Install chain link fence on end of driving range <sup>4</sup>	22,000
Repair 11,800 linear feet of cart path <sup>4</sup>	313,600
Reconstruct remaining bunkers	380,000
Final design and permitting (8%)	112,941
Contingency (10%)	112,941
<b>Phase 3 subtotal</b>	<b>1,355,292</b>
<b>Grand total</b>	<b>7,122,596</b>

<sup>1</sup> This estimate includes repairs to Front 9 holes 2 and 9 to address drainage issues prior to installation of new irrigation. The 2018 list of critical repairs did not include drainage repairs or regrassing of holes on the Front 9.

<sup>2</sup> The 2018 list of critical repairs did not include a new clubhouse.

<sup>3</sup> The 2018 list of critical repairs included the renovation of 11 bunkers on the Front and Middle 9 and renovation of 8 bunkers on the Back 9. This estimate includes a total of 27 bunkers so that all bunkers will have liners and the same sand.

<sup>4</sup> The 2018 list of critical repairs did not include cart path improvements or driving range improvements.

# Enger Park Golf Course Renovations Project Team

- ▶ Luke Sydow, Landscape Architect, SAS
- ▶ Rob Hurd and Todd Armbruster, City of Duluth project staff
- ▶ Overview of Enger Park Golf Base Course Improvements
  - ▶ Design of Irrigation System and Pond
  - ▶ Scope of Course Improvements
  - ▶ Collaboration with Minnesota DNR
    - ▶ Relocate irrigation pond
    - ▶ Reroute Buckingham Creek



# Enger Park Golf Course Renovations Projections

## Estimated Costs

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Irrigation System & Course Improvements	\$3,922,996
Pumphouse & Wet Well	\$395,000
Pond and Buckingham Creek	\$1,800,000
<b>Total</b>	<b>\$6,117,996*</b>

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*\*Additional Course Improvements and Contingency/Cost Overruns TBD*

*\*Clubhouse replacement not included in this phase of work*

## Anticipated Sources

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Abatement bonding	\$4,000,000
American Rescue Plan Funds	\$1,500,000
<del>Outdoor Heritage Fund (via DNR)</del>	<del>—\$800,000*</del>
EPA/GLRI (via DNR)	\$1,000,000
<b>Total</b>	<b>\$7,300,000</b>

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*\*City and DNR continue to explore alternate funding sources that would support new pond excavation, former pond filling, and stream restoration.*

City-sourced funds must cover both renovation improvements and any operating losses during the construction term.

# Enger Park Golf Course Renovations Anticipated Timeline

- ▶ Fall 2022
  - ▶ Bid posting/award for irrigation work
  - ▶ Finalize timeline for construction
- ▶ Early 2023
  - ▶ DNR bid for pond excavation and creek restoration work
- ▶ September 2023
  - ▶ Tentative start of construction
    - ▶ Lead times for materials
    - ▶ Availability of contractors
    - ▶ Could be later, unlikely to be sooner
- ▶ Full 2024 Season
  - ▶ Construction underway
- ▶ 2025 Season
  - ▶ Reopen 27 holes at Enger with scope of irrigation and course improvements complete

Enger Park Golf Course will operate as the sole Duluth Golf course in 2023

# Duluth Golf Operating Models Background

- ▶ Excerpt from Enger Park Golf Course Renovation Plan (p. 2):

In 2019, the City Council approved the findings and recommendations of the Duluth Golf Citizen Advisory Committee, which indicated a combination of:

- 1) An oversupply of public golf holes in the Duluth area;
- 2) Poor course conditions resulting from failing golf infrastructure; and
- 3) Insufficient funds to pay for golf infrastructure at both courses.

Based on these findings, the City of Duluth was forced to make a difficult, but necessary, decision to downsize public golf by announcing the closure of Lester Park Golf Course and prioritizing renovation of Enger Park Golf Course. The City of Duluth determined that, in order to be able to continue providing any public golf, the City must continue the closure of Lester golf facilities through 2021 and 2022, temporarily close Enger golf facilities for renovations in 2023, reopen 18 at Lester one last time during renovations, then permanently close Lester and reopen the renovated Enger course in 2024.

# Duluth Golf Operating Models

## Current Task

- ▶ Further design and study indicate options do exist for operating Enger during construction, anticipated in the 2024 season
- ▶ Extending minimal maintenance of Lester Park Golf Course is projected to be more costly than originally anticipated, and by pushing it out an additional season, could impact quality of play
- ▶ Current task:

Compare operating model costs and construction costs collectively

# Duluth Golf Operating Models Projections

	Reopen Lester in 2024	Permanently Close Lester	Difference between Reopening and Permanently Closing Lester
2023	-\$134,000	\$26,000	-\$160,000
2024	-\$847,000	-\$311,000*	-\$536,000
<b>Net Operating Loss</b>	<b>-\$981,000</b>	<b>-\$285,000</b>	<b>-\$696,000</b>

*\*Based on 9 holes open concurrent with Enger renovations*

Unknown: Impacts to operating budget and/or construction budget as a result of concurrent operations of 9 holes at Enger during construction.

Even without knowing the final costs, it is important to contemplate the impact of working around golf holes during construction and the impacts to golfer experience (leagues, events, tournaments, etc.).

Buckingham Creek stream restoration is projected to contribute ~\$675,000 towards the irrigation and pond work. And, it will require closure of the Middle/Back 9's concurrently in 2024.

Should the stream restoration not occur, the Middle 9 could remain open for play in 2024 (totaling 18 holes open), but the City will be responsible for the full cost of the new irrigation pond excavation and fill in of the old irrigation ponds.

# Duluth Golf Renovations + Operating Budgets Projections Summary

Base Anticipated Renovation Costs	\$6,117,996
Maximum Anticipated Funding	\$7,300,000
Difference	\$1,182,004
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Net Operating Loss	
Reopen Lester in 2024	-\$981,000
Permanently Close Lester	-\$285,000

## How should the City invest this anticipated funding in Duluth Golf?

- A. Reopen Lester per Council-approved plan, fully close Enger during construction
- B. Reinvest for greater set of improvements at Enger, permanently close Lester
  - 1. Additional fairway improvements
  - 2. Bunkers
  - 3. Forward Tees
  - 4. Cart Paths
  - 5. Equipment replacement cycles

# Next Steps

- ▶ Parks and Recreation Commission Discussion - October 12, 2022
- ▶ Operating agreement with Indigo Golf to City Council - October/November 2022
- ▶ Construction bids - **Post for bid in October 2022**
- ▶ City Council annual golf budget presentation - December 5, 2022
  - ▶ **City staff will propose operating model recommendations based upon results of initial bid results received in November 2022 and pending any further notification on grant funding for Buckingham Creek restoration.**

# Questions and Discussion